

STATE OF IOWA  
PROPERTY ASSESSMENT APPEAL BOARD

**ICEX Holdings, LLC,**  
Petitioner-Appellant,

**v.**

**Sioux City Board of Review,**  
Respondent-Appellee.

**ORDER**

**Docket No. 12-107-0048**  
**Parcel No. 8947-09-356-001**

On May 21, 2013, the above-captioned appeal came on for consideration before the Iowa Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2)(a-b) and Iowa Administrative Code rules 701-71.21(1) et al. Petitioner-Appellant ICEX Holdings, LLC requested the appeal be considered without a hearing and is represented by attorney David L. Updegraff, Sioux City, Iowa. Jack A. Faith is counsel for the Board of Review. Both parties submitted documentary evidence in support of their position. The Appeal Board now, having examined the entire record and being fully advised, finds:

***Findings of Fact***

ICEX Holdings, LLC, owner of property located at 3737 Grandview Boulevard, Sioux City, Iowa, appeals from the Sioux City Board of Review decision reassessing its property. According to the property record card, the subject property consists of a two-story frame dwelling with brick veneer having 1708 square feet of living area. The dwelling has a full basement with 700 square feet of standard finish and a 370 square-foot wood deck. It has an effective age of 1968 and the assessor applied 23% physical depreciation to the property. It has a good quality (3+00) construction grade and is in normal condition. The property is also improved by a 528 square-foot, attached garage. The improvements are situated on 0.159 acres.

The real estate was classified as residential on the January 1, 2012, assessment and valued at \$165,700, representing \$15,300 in land value and \$150,400 in improvement value. This is a change from the 2011 assessment.

ICEX protested to the Board of Review on the ground that the property is assessed for more than authorized by law under Iowa Code section 441.37(1)(a)(2). It also wrote in the section of the petition form for the ground of error and essentially restated the market value claim. ICEX claimed \$140,000, allocated \$15,000 to land value and \$125,000 to improvement value, was the actual value and a fair assessment of the property. The Board of Review denied the protest.

ICEX then appealed to this Board with the same claim and seeks the same relief.

The property record card indicates the subject property was converted from a residence to an attorney office in 2002 and classified commercial. It was then purchased in June 2010 for \$140,000, and extensively renovated including roughly \$40,000 in improvements. Through this renovation, the property was converted back to residential use and the residential classification was restored for the 2011 assessment.

A document entitled 2012 Residential Comparable worksheet was included in the certified record. It lists seven comparable sale properties considered by the assessor's office in determining the subject property's 2012 assessment. No information was provided concerning these properties other than basic identification, sale prices, and total square foot of living area. The sale prices were unadjusted. Because we lack information to determine whether the sale properties are comparable and they were not adjusted, we give this evidence no weight.

Realtor Rick Arnold of United Real Estate Solutions in Sioux City prepared a Comparative Market Analysis (CMA) dated May 4, 2012. Arnold listed four sales that occurred in late 2011 and early 2012. We note three of the sales properties were ranches, which are not similar to the two-story subject property. Arnold does not explain why different style homes were selected for analysis. The

median sale price was \$147,750 and the average sale price was \$142,987. Based on his analysis, Arnold suggested a list price for the subject property of \$140,000. None of the sales prices were adjusted for differences between the comparable properties and the subject property. For this reason, we give this evidence no weight. The following is a summary of the sales data.

Address	Year Built	Style	TSFLA	Listing Price	Sale Price
Subject Property	1973 <sup>1</sup>	2 Story	1708		
1203 Hiawatha Trl	1970	Ranch	2335	\$ 127,000	\$ 116,500
3808 Chippewa Ct	1977	Ranch	3004	\$ 150,000	\$ 137,000
3801 Chippewa Ct	1977	2 Story	2256	\$ 159,950	\$ 158,500
3810 Chippewa Ct	1977	Ranch	1588	\$ 159,950	\$ 159,950

City Assessor Al Jordan submitted an affidavit on behalf of the Board of Review. He explained the improvement values in this appeal were determined by use of a Computer-Assisted Mass Appraisal software program, developed by Vanguard Appraisals in Cedar Rapids, Iowa and approved by the Iowa Department of Revenue. The assessor's staff inputs pertinent information regarding the property, such as its size, grade, condition, and other attributes, and the program calculates an improvement value. Jordan determined land value by using the land residual method whereby improvement values were calculated from sales data then subtracted from the sale prices to arrive at land values in each neighborhood. This information was further refined by determining that the first 20,000 square feet of a site was the break point at which the value per square foot of land decreased and the first 20,000 square feet should be valued at \$2.40. This is the unit price and method applied on ICEX's property record card to arrive at the land value (6929 square feet x \$2.40 = \$15,300).

While the evidence is not clear why the subject property's assessment increased from 2011 to 2012; we assume from the comments on the property record card the increase was due to the replacement kitchen and bathroom value. We note the assessor's staff unsuccessfully attempted to

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<sup>1</sup> The property record card indicates the age of the subject property is unknown and that the effective age is 1968. Arnold reports 1973 as the year built.

inspect the property after these renovations for the 2012 assessment and had to estimate the cost of these improvements. We recommend ICEX contact the assessor's office to schedule an interior inspection to ensure the estimated improvements are correctly valued. Viewing the record as a whole, ICEX failed to provide sufficient evidence to support its over-assessment claim.

### ***Conclusion of Law***

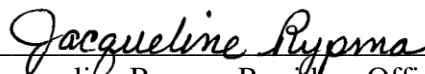
The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. This Board is an agency and the provisions of the Administrative Procedure Act apply. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review, but considers only those grounds presented to or considered by the Board of Review. §§ 441.37A(3)(a); 441.37A(1)(b). New or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct. § 441.37A(3)(a). However, the taxpayer has the burden of proof. § 441.21(3). This burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Richards v. Hardin County Bd. of Review*, 393 N.W.2d 148, 151 (Iowa 1986).

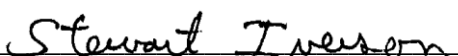
In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available to determine market value then "other factors," such as income and/or cost, may be considered. § 441.21(2). The property's assessed value shall be one hundred percent of its actual value. § 441.21(1)(a).


In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). In support of its claim, ICEX submitted a Comparative Market Analysis completed by Rick Arnold. The sales Arnold utilized were not adjusted to account for differences with the subject property. Further, the majority of Arnold's comparables differed in style from the subject with no explanation as to why he utilized different style properties. This evidence is insufficient to demonstrate the property is assessed for more than authorized by law.

THE APPEAL BOARD ORDERS the January 1, 2012, assessment of ICEX's property located at 3737 Grandview Boulevard as determined by the Sioux City Board of Review is affirmed.

Dated this 24th day of June, 2013.

  
Jacqueline Rypma, Presiding Officer


  
Stewart Iverson, Board Chair

  
Karen Oberman, Board Member

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Certificate of Service	
The undersigned certifies that the foregoing instrument was served upon all parties to the above cause & to each of the attorney(s) of record herein at their respective addresses disclosed on the pleadings on <u>June 24, 2013</u> .	
By:	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX <input type="checkbox"/> Hand Delivered <input type="checkbox"/> Overnight Courier <input type="checkbox"/> Certified Mail <input type="checkbox"/> Other
	
Signature _____	